THE MORNING OREGONIAN. SATURDAY, AUGUST 7, 1915.

UNITED STATES CASHIER COMPANY, AND DEFENDANT INVENTOR, WHO

HAVE TESTIFIED FOR DEFENSE IN THE TRIAL.

## FORMER AUDITOR OF JOB COST \$30,000, SAYS CASHIER HEAD

Stock Sale After Withdrawal Laid to Misunderstanding of Directors' Action.

## **RESOLUTION IS QUESTIONED**

Ex-Mayor of The Dalles, Chief Tarret of Prosecution, Says Deciion to Stop Sales Not Authorized at Meeting.

Unued From First Page.

(Continued From First Page.) price, and that the question had arisen as to whether this stock, aiready issued by the company, could be resold. A legal opinion that its sale was per-fectly legitimate and could go on had been obtained, he said. Growing out of the question of this resold stock, however, Mr. Menefee testified, a resolution withdrawing all stock of the company from sale was in-troduced at the meeting of January 30, 1912.

1912. "I went to the extent of telling the board that I would reaisn if this reso-lution were passed," said Mr. Menefee. "With approximately one-quarter of its stock yet to be sold, it would have been ruinous for the company to have passed this resolution. After I had evaluated this the resolution was withxplained this, the resolution was with-

"I never heard that a resolution against selling stock was on the min-utes of the company." went on Mr. Menefee, with earnestness, "until I came up here and heard it read in

## Passing of Resolution Denied.

"What have you to say about the correctness of the record of the meet-ing of January 30, 1912?" asked Mr.

ingth questioned Mr. Cake.
Directors Declared Informed.
"I remember that Mr. Reames once asked ms if the company stock wasn't withdrawn from the market," returned the witness. "I said that it was never withdrawn, and that we just stopped selling in 1912. That was the only time until I heard lisin court that the matter of withdrawing stock from sale was so much as mentioned by anyone.
less I could make something. I had to close up my law practice and associationa in The Dalles."
Mr. Menefee had previously testified that Mr. Davidson had found difficulty in carrying the Potter patent, and that we had agreed to help him by taking some of his stock off his hands. He testified that he paid Mr. Davidson 115,000 for 2500 shares, and bought 2509 shares more from two retiring directors for \$6000, a total of \$21,000 for 5000 shares.

"Why, the directors knew all about our continuing with the sale of com-pany stock," west on Mr. Menefee "The progress of stock selling was dis-the latter said b cussed in connection with the company's finances." "It has been brought out in the evi-

dence that after the resolution men-tioned, 34,000 odd shares were sold," Mr. Cake.

said Mr. Cake. "I have no doubt those figures are correct," answered Mr. Menefee. "Mr. House also testified for the Gov-ernment," continued Mr. Cake. "that approximately 26,000 shares were can-celed in the same period."

Thomas Bilyeu

### Litigation Is Avoided

Litigation is Avoided. The witness also said that when the company got rid of Todd as manager the latter said his contract was broken, and to avoid litigation he had paid him \$6000 for his holdings of 1006 shares, bringing his own holdings to \$000 shares. "Have you at any time while with the United States Cashier Company re-ceived any salary"

ceived any salary TT "No, I have not." "Now, what happened to the 15,000

At the morning session United States Attorney Reames continued his cross-examination of Thomas Bilyeu, defendant inventor and director of the com

He brought out that Mr. Bilyeu was a member of the advisory board of the company before he was a director. "Ever meet with the advisory board?"

queried the prosecutor. "No sir," said Mr. Bllyeu. "Did you read the advertisement of October 29, 1911?"

"I may have seen it-I seldom read ads, however." "Do you mean to say you didn't read that advertisement." "I may have read it." "Did the United States Cashier Com-

"Mr. House also testified for the Gov-ernment," continued Mr. Cake, "that approximately 26,900 shares were can-celed in the same perfod." "Now, I have not." "Now, I have not." "Now, I have not." "Now, What happened to the 15,000 "New year from the company un-der their contract with you?" "I believe not." to the United States Cashier Company by the United States Patent Office or to any of its officers or to Mr. Bilyeu himself. "covering any of these mas chines." that was not referred to by E. D. Sewall, supervisor of the clossi-fication bureau of the patent office, while he was on the stand. Mr. Bilyeu said he believed there were. He said he thought Mr. Sewall had given the impression that some of the patents owned by the Interna-tional Money Machine Company were never owned by the United States Cashler Company, which he said was untrue.

Think from what I remember that it is absolutely incorrect." replied Mr. Memeree. I can't get any other construction of it. We talked it over too thoroughly for me to be mistaken. We keet right on salling stock just as manal, without a thought of any resolution fit. We talked have none had been passed. O. A. Campbell, one of the members of the beard, will bear me onto had been passed. "No."
 Directors Declared Informed.
 Directors Declared Informed.</

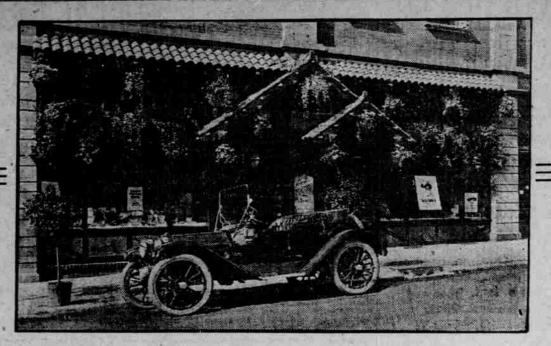
Company. One extract from a letter of April 11, 1915, read: "You know that all explanations of the old company affairs were carefully avoided last March, and I am sure you know why they were avoided. It is not necessary for us to hash over all this, for we both know it to be true. "I know our hands were tied, yours and mine, in so far as showing up everything in its true light was con-cerned, owing to the conditions with

cerned, owing to the conditions with which I am sure you are quite familiar; but this fact does not do away with the

fact that the people here did not know true conditions at the time they put their money into the business, nor did they know true conditions for a long time afterward.

## Credit for Efforts Given

"In fact, they don't know them yet, although they od know more than they did a few months ago. I am quite sure you did not know the true condition of the Fortland company for many months after you became actively as-accided with the business, and I doubt



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## Hazelwood Breakfasts Luncheons and Dinners

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The most modern equipped soda fountain on the Pacific Coast. All Ice Creams are kept at an even temperature by our artificial ice plant. Our Ice Creams are made from pure cream, cane sugar and flavored with pure Mexican bean vanilla or fresh fruit and DO NOT contain any gelatine or patent ice cream powders, which are frequently used to disguise inferior ingredients.

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J. F. N. Colburn, Director

In addition to getting the BEST CANDY, the BEST FOOD and the BEST SODA FOUNTAIN SPECIALS at prices that are no higher, and many times less, than elsewhere, our customers have the pleasure of hearing, their favorite music played in a masterly manner.

stock had been paid for. "We didn't even issue certificates on notes, unless we had every reason to believe that the person giving the note was thoroughly responsible," said Mr. Menefee. "So when stock was canceled it was only a matter of bookkeeping. The amount of stock sold remained the same, with the difference that the shares canceled had been paid for."

### Public Career In Given.

Mr. Cake began his examination of Mr. Menefee by questioning him as to his life before he assumed the presi-dency of the Cashier Company.

Mir. Menetee by questioning him as to his life before he assumed the presi-dency of the Cashier Company. "I was born in The Dalles, and I am 49 years old," said Mr. Menefee. He testified further that he had removed his family to Portland in February, 1910. He was admitted to the bar in the sam ""

1510. He was admitted to the bar in October, 1355, he said, and had prac-ticed law from that time to 1910. "What public offices have you held in

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"How did you happen to come down to Portland?" "Well," said Mr. Menefee, "Todd did not have any success, so I came down and spent three or four weeks trying to learn what was the matter and trying to get him started. We had a quarrel and Todd was fired. "I called a meeting of the directors and put it up to them to get a someons." "I was a bona fide board, formed with the idea of making the Cashier

and put it up to them to get someone else as manager. They asked me to take charge."

### Company Takes Back Shares

The witness went on to enumerate that he gave Mr. Barnet, a director, 1500 shares because of notes he had advanced to the company and trouble he had taken for it; 1500 shares to Robert J. Upton, another director, for the same reakon; 1600 shares to O. A. Campbell, and 500 shares to Mr. Davidson. Another 200 shares that went somewhere was also taken out of the

"What became of the remainder?"

1910. He was admitted to the bar in October, 1835, he said, and had prac-tieed law from that time to 1910.
"What public offices have you held in The Dalles?"
"T was City Recorder from 1891 to 1832," said Mr. Menefee, "In 1894 I was appointed Mayor to fill an unex-pired term, and I was twice re-elected I was elected District Attorney of that district in 1900, and re-elected in 1904, serving until July, 1908.
Mr. Menefee went on to tell that he first became connected with the Unite States Cashler Company to November, 1803, when William Davidson, of Port-lard, then president of the company, interested him in it. He invested \$1000 in stock, he said.
Was admitted to the bar in the contract offered me called for states Cashler Company to November, and I am \$30,000 worse off today than when I went into the company."

with the idea of making the Cashier Company thoroughly a stockholders' company," said Mr. Menefee. He said

clase as manager. They asked me to take charge."
Take charge.
Take you sough: the management, asked Mr. Cake.
Salary Is Waived.
To certainly had not," replied Mr. Menefee. He said that it was the plan to have members of the advisory board obtain provises of advisory board members living out of the city, be add.
They offered to sive me the same formator Todd had, with the provises for the advisory board ever meet?" area in the in 1912." said Mr. Menefee. "One of those who attended was a stock certificate for 15,000 shares from the part and take only the percentage. I told them, Tf I don't make "It have been overlooked. The 1912 meeting was the only one he recalled.
At the time was the stock of any market value?"
"No, the company had nothing but its"

sociated with the business, and I doubt whether you know more than half the truth yet, but undoubtedly you are en-titled to great credit for having put matters in better shape after you did

of the city.

BELIANCE

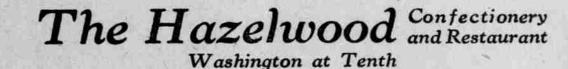
MT. HOOD AUTO STAGES

SWASTIKA AUTO SERVICE

SUNDAY SPECIAL leaves Journal bidg. at 5 A. M. Returning leaves at 5 P. M.

Further Examination Possible. The United States Attorney, however, after having Mr. Bilyeu produce the patents he mentioned, asked him: "Now you haven't produced a single patent or application for a patent that

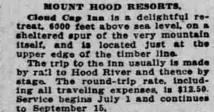
Satisfaction Guaranteed to All Patrons of The Hazelwood or Their Money Refunded.



## Mountain, River and Beach Resorts Where to Take a Short Trip Out of Portland

**INFORMATION FOR TOURISTS** 

Herewith is a list of short trips in and about Portland. If you are in doubt about any point, or the trip you have heard about is not mentioned here, call at the Information Bureau of the Chamber of Commerce or phone them—Bell Phone, Broadway 440 or Automatic, A 6091. Information will gladly be given. Literature of interesting points furnished—Time Cards, Beach and Mountain Resort literature. The Oregonian asks the names and addresses of tourists for publication. Enclose your business card with name of your party to Summer Resort Dept., The Oregonian, Portland.



The Oaks (the Coney Island of the West)-Every form of entertain-ment and accommodation for tour-strike. Orchestral and band concerta prima donna and musical comedy to the open-air theater. Perform-and the open-air theater. Perform-to theater. Perform-to the open-air theate

to September 15. Electric carline to Boring, 24 miles; automobile to Welch's, Rho-dodendron and Tawney'-, round trip from Portland, \$7.75. Same as above with horse stage all the way, \$5.75. and aviary. Take any car west of Washington street excepting Six-teenth; fare 5 cents. Celebrated statue, "Coming of the White Man," also "Sacajawea." Excellent view

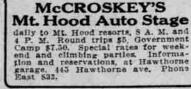
Welch's, Rhededendron and Taw-mey's are located on the south side of the mountain. Automobile from Portland to either resort, round trip, each \$5. Oregonian on sale at these resorta.

### COLUMBIA RIVER HIGHWAY

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afety at All Times Mt. Hood Auto Line calls and delivers to any part of city, day or night, to Mount Hood resorts. Round trip, \$6; Govern-ment Camp, \$7.50.

Phones, Main 331, or A 2331. ANDERSON BROS.





**ROUND TRIP 40c** 

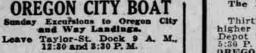
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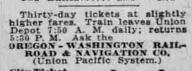
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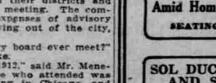


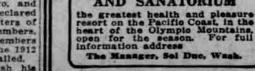
COLUMBIA

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